



Mr. Ben Steffen
Executive Director
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Re: Atlantic General Hospital Corporation: Request for Emergency Certificate of Need to Expand Licensed Bed Capacity at Berlin Nursing and Rehabilitation Center

Dear Mr. Steffen:

Pursuant to the Maryland Health Care Commission ("Commission") regulations at COMAR 10.24.01.20, I am writing you to request an Emergency Certificate of Need ("ECON") for Atlantic General Hospital Corporation ("AGH") to annex additional MSGA licensed bed capacity by converting existing space at an existing adjacent health care facility (rehabilitation facility). This request is prompted by the proactive steps initiated by Governor Hogan, Secretary Neal, the Commission and others with the March 5, 2020 Declaration of State of Emergency and Existence of Catastrophic Health Emergency – COVID-19 by Governor Hogan.

AGH received an ECON previously for the same alternate care site on April 14, 2020 (Docket Number: EM-H20-23-025). That ECON was subsequently relinquished in July, 2020.

Current AGH Certificate of Need and Licensed Bed Capacity

AGH was granted a Certificate of Need (CON) by the Maryland Health Resources Planning Commission (predecessor to the Commission) on July 16, 1991 (Docket No. 88-23-1488). This CON approved 62 hospital beds for the new facility. Currently, AGH is licensed for 66 MSGA acute care beds through a temporary emergency increase in the licensed bed capacity by the Office of Healthcare Quality (OCHQ). This temporary increase in bed licensure consumes all of the hospital bed capacity inside the AGH facility.

Annexation of 16 Additional Beds at Adjacent Facility

AGH hereby applies for an ECON for the purpose of establishing a temporary alternate care site of AGH in an existing, currently closed, semi-private, first floor unit at Berlin Nursing and Rehabilitation Center (BNRC), located adjacent to AGH at 9715 Healthway

Drive, Berlin, MD 21811. *Attachment 1* is an executed Letter of Agreement between AGH and BNRC, allowing for AGH to rent and utilize the proposed space for this purpose. This unit at BNRC has the capacity for up to 16 semi-private, MSGA acute hospital beds. If this ECON is approved and the additional beds established, AGH intends to operate the temporary remote location as an inpatient hospital department of AGH for the duration of the State of Emergency declaration by Governor Hogan for the COVID-19 pandemic.

The temporary beds will be occupied by low-acuity medical surgical patients providing more COVID-19 patient capacity in the hospital. Since the new temporary beds are planned for an existing health care facility, and since facility modifications were made in April, 2020 for the ECON that was previously approved, current modifications will only be in the way of equipment relocation and preparation. It is anticipated that the medical surgical beds can be available for occupancy by January 8, 2021, in preparation for the anticipated post-holidays COVID-19 surge peak. Upon ECON approval and subsequent licensure of these proposed hospital beds through the OHCQ, AGH's bed capacity will increase to 82 beds.

Estimated Project Cost

The cost of the project will not exceed the hospital capital threshold requiring a CON from the Maryland Health Care Commission under MARYLAND CODE, HEALTH-GENERAL § 19- 120(a)(4). The total project costs, including facilities work, and purchase of equipment, added operational cost due to facility services, etc., are estimated to be approximately \$166,320. This cost is itemized as follows:

Capital Costs:

Minor equipment (Including IT Equipment):	\$10,000
Other Capital equipment (IV Pumps, Oxygen Regulators, etc.):	\$25,000

Operating Costs – Facility (assumes 4 months, 81% occupancy):

BNRC Rental Agreement (\$7,750 per month, 12 Months):	\$93,000
\$22/day per patient x 13 patients x 120 days =	\$34,320
Imaging equipment rental (assuming 4 months):	<u>\$4,000</u>

Total Costs: \$166,320

We understand that based on guidance you have issued on the Commission's behalf, the requirement under COMAR 10.24.01.20C for AGH to file a full Certificate of Need application is suspended until at least thirty (30) days after the initially declared and subsequently extended State of Emergency of March 5, 2020 is terminated, and that any

Ben Steffen, Executive Director

December, 2020

Page 4

ECON does not expire until thirty (30) days after the declared state of emergency is terminated or 165 days after its issuance, whichever is later.

I welcome any questions you have regarding this application, and I look forward to your prompt action.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Franklin", with a stylized flourish at the end.

Michael A. Franklin, FACHE
President/CEO

cc: Katie Wunderlich, Executive Director, HSCRC
Suellen Wideman, Assistant Attorney General

Ben Steffen, Executive Director
December, 2020
Page 4

Attachment 1



December 16, 2020

Atlantic General Hospital Corporation
9733 Healthway Drive
Berlin, MD 21811
Attention: Michael Franklin, FACHE President/CEO

Re: Future Alternate Care Site Agreement

Dear Mr. Franklin:


To follow up on our previous discussions, this letter confirms our mutual understanding that in the event Atlantic General Hospital Corporation ("Hospital") requires additional beds due to a surge in COVID-19 cases, Berlin Health Care, LLC will work with Hospital to provide beds pursuant to an *Alternate Care Site Agreement*. If and when Hospital's need for additional beds arises, both parties agree to enter into an *Alternate Care Site Agreement* that is substantially similar to the enclosed letter agreement.

Please sign below and return a copy to me to indicate your understanding and agreement with the contents of this letter.


Very truly yours,

Angie Gozali
Administrator
Berlin Health Care, LLC

Enclosure

By: 
Name: Angie Gozali
Title: Administrator

Accepted and agreed:

Atlantic General Hospital Corporation
By: 
Name: Michael Franklin, FACHE
Title: President/CEO

12/17/2020

Atlantic General Hospital Corporation
9733 Healthway Drive
Berlin, MD 21811
Attention: Michael Franklin, FACHE
President/CEO

Re: Alternate Care Site

Dear Mr. Franklin:

This will confirm the agreement (this "Agreement") between Berlin Health Care, LLC ("Facility Operator") and Atlantic General Hospital Corporation (the "Hospital") regarding the terms and conditions upon which the Hospital shall be permitted to utilize a portion of the Berlin Nursing and Rehabilitation Center, located at 9715 Healthway Drive, Berlin, MD 21811 (the "Facility"), as an alternate care site ("ACS") for the transfer of general medical (non-COVID-19, non-ICU) patients during the current public health emergency.

1. The parties hereby designate that portion of the first floor of the Facility highlighted in yellow on the floor plan attached as Exhibit "A" hereto as the ACS for purposes of this Agreement. Hospital personnel, patients, and visitors shall enter and exit the ACS only through the exit door directly adjoining the ACS as shown on Exhibit "A" and shall not have access to any other areas within the Facility. Hospital has inspected the ACS and accepts the ACS in its "as-is" condition.

2. The ACS shall be made available for use by the Hospital for a term (the "Term") commencing on **January 1, 2021** (the "Commencement Date"), and ending on the earlier of (i) the one year anniversary of the date of this Agreement, and (ii) the date as of which this Agreement shall have been terminated by either party as set forth below.

3. The Hospital shall be solely responsible for the medical treatment and care of all patients in the ACS, as well as all ancillary services pertaining to such care, including without limitation, all medications and pharmacy services, x-ray, laboratory, wound care, and patient transportation, all of which treatment and services shall be performed by Hospital staff under Hospital's supervision. All oxygen requirements for the ACS, all medical and non-medical supplies, and all necessary office and medical equipment for the ACS shall be furnished by the Hospital. Hospital also shall be responsible for the proper collection, pickup and disposal of all medical waste generated by the ACS, utilizing bins supplied by the Hospital. Hospital shall identify and designate a Hospital employee to manage the ACS activities, and shall provide the Facility Operator with such employee's contact information.

4. The Facility Operator shall provide all housekeeping, laundry, utilities and internet service to the ACS. All utilities and internet service shall be in accordance with the existing service available within the ACS. Facility Operator shall provide food services to the ACS in accordance with dietary specifications to be provided by the Hospital, provided that any special dietary requirements outside the customary food services of the Facility will be the responsibility of the Hospital. The Facility Operator shall provide Hospital with contact information for the Facility's administrator.

5. Prior to any use or occupancy of the ACS, Hospital shall provide to the Facility Operator evidence of general and professional liability insurance, naming Facility Operator as an additional insured, as well as workers' compensation insurance. Hospital agrees to indemnify and hold harmless Facility Operator, its officers, directors, parent companies and affiliates from and against (i) any claims, proceedings, investigations, and liabilities (including reasonable attorneys' fees) arising out of the Hospital's use and/or occupancy of the ACS, and (ii) any reduction of the Facility's reimbursed per diem capital rate as a direct result of the Hospital's use and/or occupancy of the ACS. This indemnification obligation shall survive the expiration or any termination of this Agreement.

6. The Hospital shall provide all required notifications and filings to governmental authorities, and obtain all necessary governmental approvals and authorizations, for the operation of the ACS by the Hospital.

7. In order to cover the ACS's allocable portion of the lease rent, taxes, insurance, housekeeping, and maintenance costs of the Facility, Hospital shall pay to Facility Operator a fixed rent charge in monthly installments of Seven Thousand Seven-Hundred Fifty Dollars (\$7,750.00) which installments shall be due and payable in advance beginning on the Commencement Date and continuing on the first business day of each calendar month thereafter during the Term; provided, however, if the Commencement Date or the date on which this Agreement terminates occurs on a day which is not the first or the last day of a calendar month, as the case may be, then the fixed rent for the month in which this Lease commences or terminates shall be prorated.

8. In order to compensate Facility Operator for the cost of providing laundry and food services to the ACS, Hospital shall pay to Facility Operator, in addition to the fixed rent amount set forth above, a services charge in the amount of \$22.00 per patient day, which amount shall be billed by Facility Operator monthly in arrears and shall be paid by Hospital within thirty (30) days after presentation of Facility Operator's invoices for same. Hospital agrees to provide Facility Operator, within ten (10) days after the close of each calendar month during the Term, and within ten (10) days after the termination of this Agreement, a statement of the daily patient census of the ACS for the month (or partial month, in the case of the termination or expiration hereof) then ended.

9. This Agreement may be terminated at any time by either party hereto upon thirty (30) days' written notice to the other party hereto. Any such termination shall not affect the rights and obligations of the respective parties hereunder with respect to periods prior to the effective date of such termination. On termination, Hospital shall remove all of its moveable

equipment and supplies, and shall leave the ACS in good, broom-clean condition, reasonable wear and tear excepted. Hospital shall repair any damage beyond normal wear and tear.

Please indicate your agreement with the foregoing by signing and returning to the undersigned a copy of this Agreement. This Agreement may be executed in two counterparts, which taken together shall constitute one and the same instrument and any of the parties or signatories hereto may execute this Agreement by signing any such counterpart. Copies of original signatures sent by facsimile, portable document format (.pdf), or other electronic imaging means shall be deemed to be originals for all purposes of this Agreement.

Very truly yours,

Berlin Health Care, LLC

By: _____

Name: _____

Title: _____

Accepted and agreed:

Atlantic General Hospital Corporation

By: _____

Name: Michael Franklin, FACHE

Title: President/CEO

